

# Outline of Executor's Duties

## Take Preliminary Steps

- Locate and review will.
- Help with funeral arrangements if requested; meet with family and others properly interested in the estate.
- Confer with lawyer who drafted the will.
- Hire a lawyer to handle all legal matters, prepare petition, be ready to defend the will.

## Arrange for Probate of Will and Appointment of Executor

- Locate witnesses, if will is not self-proved.
- Notify creditors
- Arrange for bond if necessary.
- File petition to probate will and appoint executor.

## Assemble, Inventory, and Protect Assets

- If not previously done, contact PVA and financial institutions to open all safe-deposit boxes; list contents of all safe-deposit boxes.
- Analyze business interests; decide whether to continue, liquidate, or sell; arrange interim management.
- Prepare and file inventory of estate with the court, if required.
- Locate all of decedent's property, real and personal.
- Consider supervision for decedent's business.
- Ascertain if decedent owned property in another state.
- Examine insurance policies on real estate and personal property. Have policies endorsed to estate and increase coverage if needed.

## Study Financial Records of Decedent

- Send notification of death to concerned insurance companies.
- Decide whether jointly owned property is includable in decedent's gross estate for federal estate purposes.
- Obtain all canceled checks and brokerage records for past several years; secure reproductions of insurance policies that are owned by others, or that are deductible items for marital deduction purposes.
- Collect life insurance proceeds payable to the estate; assist other beneficiaries with claims for life insurance proceeds.

- Make comprehensive study of decedent's financial and business interests for years immediately preceding the decedent's death.
- Study available employment contract or any deferred compensation plan decedent may have had and determine whether payments are due to the estate.

### **Administer the Estate**

- Request post office to forward mail.
- Have appropriate assets appraised by qualified appraiser.
- Transfer assets to estate.
- Constantly observe market and investment conditions in reference to estate securities and keep a record of all transactions, income and expenses.
- Pay just claims against estate and reject improper ones.
- Ascertain whether trustee under life insurance trust is authorized to lend part of cash proceeds to estate or to buy estate assets to provide cash to pay taxes or settlement costs.
- Determine whether to retain or sell securities, depending on the powers granted in the will, market conditions, and the need for cash to pay taxes, bequests, and costs.
- Obtain waivers and releases as needed for transfer of securities and bank accounts.
- Keep beneficiaries and others with proper interest informed of progress of estate settlement.
- Notify banks, investment brokers, and others of appointment as executor.
- Inspect real estate, leases, and mortgages.
- File claim for Social Security or veteran's benefits that may be due.
- Collect income, accounts receivable, and other funds owed decedent or estate.
- Distribute household and personal effects according to will provisions.
- Pay support for surviving spouse and children as required by law or will.
- Supervise real estate or sell if required to do so.
- Make appropriate partial distributions as estate administration progresses.
- Decide whether to include accrued interest on U.S. savings bonds in income.
- Follow closely the management and finances of any business enterprise and real estate owned by decedent.

### **Determine Personal and Estate Tax Liability**

- Estimate cash needed to pay taxes, legacies, and other costs of estate settlement; select assets for sale to provide needed cash, being mindful of tax considerations.
- File income tax return for decedent. Prepare for audit of income tax returns previously filed by decedent.
- File fiduciary tax returns on estate during administration.
- Determine whether beneficiaries who receive property outside the will shall be required to pay their proportional share of the death taxes.

- See that supplemental and supporting documents are filed with return, such as copies of trusts established by decedent or financial statements of his business.
- Ascertain lifetime gifts.
- File state inheritance tax return; collect death taxes from beneficiaries if law requires.
- Ascertain income tax basis of estate assets and furnish such information to the beneficiaries.
- Determine whether any insurance policies on decedent's life, trusts in which the decedent had an interest, or trusts over which he/she held any powers, are includable in the estate for tax purposes.
- Determine availability of certain tax relief provisions applicable to closely held business or farmland.
- Determine whether administration costs are to be deducted against federal income or estate tax.
- Decide whether any trusts made by decedent during his or her life or gifts made by him or her shall be included in the taxable estate.
- File federal estate tax return; arrange for valuation of the estate and determine whether estate is to be valued as of date of death or six months later.
- Secure federal estate tax release so that distributions may be made as promptly as possible.

### **Distribute Estate and Make Final Settlement**

- Ascertain if any assignments are on file, pay legacies, and deliver specific bequests according to will.
- Secure releases for beneficiaries and discharge from the court.
- In distributing assets from residuary estate, choose date that will result in income tax economy for the beneficiaries as well as for the estate.
- Prepare information for final accounting, including all assets, income, and disbursements.
- Set up trusts created by will, arrange for payment of any income due trust funds for regular remittances to beneficiaries.